

## Message Text

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PAGE 01 REYKJA 00681 221718Z  
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-10 LAB-04  
NSAE-00 SIL-01 AID-05 DOTE-00 DODE-00 PM-05 H-01  
L-03 NSC-05 PA-01 SP-02 SS-15 ICA-11 DOE-15  
SOE-02 OES-07 OMB-01 TRSE-00 /109 W  
-----079495 230141Z /63

R 221643Z MAY 78  
FM AMEMBASSY REYKJAVIK  
TO SECSTATE WASHDC 8420  
INFO AMEMBASSY COPENHAGEN  
AMEMBASSY OSLO  
AMEMBASSY STOCKHOLM  
COMICEDEFOR KEFLAVIK IC

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E.O. 11652: N/A  
TAGS: ELAB, IC  
SUBJECT: LABOR DISPUTE CONTINUES: OIL IMPORT BAN EXTENDED

REF: REYKJAVIK 0600

1. THERE HAS BEEN NO APPARENT PROGRESS IN RECENT EFFORTS TO RESOLVE DISPUTES WITH LABOR MOVEMENT DESPITE SOME GESTURES BY EMPLOYERS AND GROWING CONCERN OVER LABOR BAN ON IMPORTS OF PETROLEUM PRODUCTS. ICELANDIC EMPLOYERS LAST WEEK SUBMITTED FIVE ALTERNATE PROPOSALS TO ICELANDIC FEDERATION OF LABOR (IF) IN EFFORT TO REACH SETTLEMENT WITH SPECIAL CONSIDERATION FOR WORKERS AT LOWER END OF PAY SCALE. ON MAY 19 IFL REJECTED ALL FIVE PROPOSALS AND NO FURTHER DISCUSSIONS HAVE AS YET BEEN SCHEDULED.

2. MEANWHILE VARIOUS LABOR ACTIONS (EXPORT LOADING BAN, ONE-DAY STRIKES AT CERTAIN INDUSTRIES AND BAN ON UNLOADING OF PETROLEUM PRODUCTS) CONTINUE. PETROLEUM IMPORT  
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BAN VY ICELANDIC GENERAL AND TRANSPORT WORKERS FEDERATION (VMSI), WHICH WAS SUPPOSED TO EXPIRE ON MAY 25, HAS NOW BEEN EXTENDED TO MID-JUNE AND AS RESULT IS STARTING TO HAVE SOME EFFECT. SOVIET TANKER LOADED WITH GASOLINE HAS BEEN WAITING AT ANCHOR NEAR REYKJAVIK FOR SEVERAL DAYS WITHOUT BEING ABLE TO UNLOAD. REQUESTS BY OIL IMPORTERS FOR EXEMPTION FROM

BAN FOR THIS SHIP HAS BEEN REJECTED BY VMSI AND GASOLINE SHORTAGE IS NOW DEFINITE POSSIBILITY. EARLIER REPORTS (REFTEL) INDICATED THAT LOCAL GASOLINE SUPPLIES WERE ADEQUATE FOR DOMESTIC NEEDS FOR SOME TIME TO COME, BUT THESE REPORTS APPEAR TO HAVE BEEN OVERLY OPTIMISTIC.

3. LOCAL ESSO REPRESENTATIVE HAS INFORMED EMBOFF THAT ESSO WILL PROBABLY HAVE TO CLOSE ITS GAS STATIONS DURING THIS WEEK IN ORDER CONSERVE SUPPLIES FOR EMERGENCY SERVICES. SIMILAR REMARK WAS STATED PUBLICLY BY SHELL REPRESENTATIVE. AS RESULT LONG LINES OF CARS ARE SEEN AT GASOLINE STATIONS IN REYKJAVIK AREA. ESSO REPRESENTATIVE SPECULATED THAT AS GESTURE GOODWILL TOWARD FELLOW ICELANDERS VMSI MIGHT RELENT AND ALLOW SOVIET TANKER TO UNLOAD, HOWEVER THIS IS BY NO MEANS A CERTAINTY. IN THE MEANTIME, SOVIET TANKER MIGHT WELL PULL ANCHOR AND SAIL ELSEWHERE. SHORTAGE WOULD AFFECT GASOLINE ONLY SINCE SUPPLIES OF DIESEL AND FUEL OIL APPEAR ADEQUATE FOR ONE OR TWO MONTHS MORE.

3. COMMENT: LINES OF AUTOMOBILES AT LOCAL GASOLINE STATIONS SEEM TO BE FIRST IMPACT OF ANY SIGNIFICANCE FOR GENERAL PUBLIC IN REYKJAVIK AREA AFTER OVER SIX WEEKS DIVERSE ACTIONS BY LABOR MOVEMENT PROTESTING GOI ECONOMIC MEASURES.  
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4. SUPPLIES OF GASOLINE AND OTHER PETROLEUM PRODUCTS AT NATO BASE ARE ADEQUATE AT PRESENT.  
CHRISTENSEN

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## Message Attributes

**Automatic Decaptioning:** X  
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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LABOR, DISPUTES, OILS, IMPORT CONTROLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 may 1978  
**Decaption Date:** 01 jan 1960  
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**Disposition Action:** RELEASED  
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**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Film Number:** D780216-0241  
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**Retention:** 0  
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**Review Date:** 04 may 2005  
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**Review Exemptions:** n/a  
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**TAGS:** ELAB, IC  
**To:** STATE  
**Type:** TE  
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